

RECORDATION NO. 8183 Filed & Recorded

JAN 15 1976 -10 22 AM

INTERSTATE COMMERCE COMMISSION

CHATTLE MORTGAGE dated as of December 30, 1975 from The Pickens Railroad Company, a South Carolina corporation (hereinafter called Mortgagor), to First Pennsylvania Bank N.A. (hereinafter called Mortgagee).

Whereas, Mortgagor as lessee executed a Lease of Railroad Equipment dated as of November 22, 1974 (hereinafter called Lease) with The Westport Bank and Trust Company, a Connecticut banking corporation as lessor (hereinafter called Westport) and recorded with the Interstate Commerce Commission on December 27, 1974, bearing recordation number 7754; and

Whereas, Mortgagor to further secure its obligations under the Lease agreed to establish a Rental Escrow Account under the terms of which Mortgagor, with the consent of Westport, may invest amounts on deposit in the Rental Escrow Account in certain new railroad cars provided such new cars become security for rental payments under the Lease; and

Whereas, Westport, as security for all monies advanced by Mortgagee to Westport under a Finance Agreement dated November 22, 1974, assigned and transferred to Mortgagee of all of Westport's right, title and interest under the Lease pursuant to an Assignment of Lease and Agreement dated as of November 22, 1974 (hereinafter called Assignment) and recorded with the Interstate Commerce Commission on December 27, 1974 bearing recordation no. 7754.

Mortgagor, for and in consideration of Ten Dollars (\$10), the receipt and sufficiency of which is hereby acknowledged, and to secure all amounts due under the Lease, does hereby grant, sell, mortgage and convey unto Mortgagee, its successors and assigns, the railroad cars listed in the attached Schedule A hereto which are now or hereafter shall be owned by Mortgagor and all accessories, appurtenances, parts, improvements and equipment owned by Mortgagor now or hereafter pertaining or affixed to any of such units and all substitutions, renewals and replacements thereof (all being hereinafter called the Units).

TO HAVE AND TO HOLD the Units unto Mortgagee, its successors and assigns, to its and their sole use forever;

PROVIDED that the Units are granted, mortgaged, sold and conveyed hereunder by Mortgagor to Mortgagee as security for the performance by Mortgagor of all its obligations to pay any and all sums from time to time owing, in accordance with the terms and provisions of the Lease and Assignment.

AND PROVIDED FURTHER that, if Mortgagor or its successors and assigns shall pay to Mortgagee, or its successors and assigns, or perform all the Liabilities, then this Chattel Mortgage shall be void, otherwise this Chattel Mortgage shall remain in full force and effect.

Mortgagor hereby covenants and warrants that, on the date hereof: (1) it is lawfully seized and possessed of the Units described in Schedule A hereto; (2) it has good right, full power and authority to convey, transfer and mortgage the Units; (3) the Units are new, unequipped boxcars for general service as described in 49 C.F.R. 1036.1; and (4) the Units are free and clear of all claims, liens and encumbrances by or in favor of any person claiming by, through or under the Mortgagor, except in favor of Mortgagee pursuant to this Chattel Mortgage.

Mortgagor hereby covenants and agrees to execute and deliver to Mortgagee all further or supplemental chattel mortgages, financing statements, or other documentation at any time requested by Mortgagee to perfect, continue perfection of, protect or enforce the security herein referred to and any additions or replacements thereof, and to cause the same to be filed or recorded at its expense in any place and at any time reasonably requested by Mortgagee.

Mortgagor hereby covenants and agrees that, if there shall occur and be continuing an Event of Default (as that term is defined in the Lease), or, after expiration of the original term of the Lease, upon failure of the Mortgagor to pay any of the Liabilities on demand, then, and in any such event, Mortgagee, or its successors or assigns, shall thereupon have the right (as against Mortgagor, its successors and assigns, or to the extent Mortgagor, its successors or assigns, may have such right) to take immediate possession of the Units, or any portion thereof, and for that purpose may pursue the same wherever any of the Units may be found and may enter any of the premises of the Mortgagor with or without force or process of law wherever any of the Units may be located, and Mortgagee shall have the right to take possession of the Units or any of them, keep and store or further lease the same until sold, or remove and sell and dispose of the same at public or private sales to the extent permitted by law, at one or more sales, as an entirety or in parcels, or in lieu of or in addition to exercising the power of sale hereinabove given, to proceed by a suit or suits in equity or at law, whether for the specific performance of any covenant or agreement herein contained or in aid of the execution of any power herein granted, or for any foreclosure hereunder, or for the sale of the Units or any of them under the judgment or decree of any court or courts of competent jurisdiction. To the full extent that Mortgagor may lawfully so do, Mortgagor agrees that it will not at any time claim the benefit of any stay, extension, appraisalment, redemption or similar law now or hereafter in force.

Mortgagee shall be entitled to reimbursement from the proceeds of any such leasing, sale or foreclosure for all costs and charges incurred by it or its agents or attorneys in taking, removing, keeping, storing, leasing and selling the Units, including any and all attorneys' fees and other costs and expenses incurred in connection with any such foreclosure or sale. Any surplus remaining after reimbursement for such costs and expenses and after payment of the Liabilities shall be paid to Mortgagor.

All rights and remedies of Mortgagee hereunder are cumulative but not exclusive and shall be in addition to any rights to which Mortgagee is entitled under any applicable law, and no delay on the part of Mortgagee in the exercise of any such right or remedy shall operate as a waiver thereof, and no single or partial exercise by Mortgagee of any right or remedy shall preclude other or further exercise thereof or the exercise of any other right or remedy.

This Chattel Mortgage shall be governed by the laws of the Commonwealth of Pennsylvania, including the Uniform Commercial Code, but the parties shall be entitled to the benefits conferred by Section 20c of the Interstate Commerce Act.

IN WITNESS WHEREOF, Mortgagor has caused this instrument to be signed in its name by its officers duly authorized as of the date first above written.

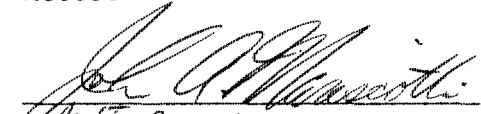
THE PICKENS RAILROAD COMPANY

By: 

Vice President

[Corporate Seal]

Attest:


Secretary

STATE OF SOUTH CAROLINA

COUNTY OF

Greenill

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:
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SS

On this 29 day of December, 1975, before me personally appeared John H. Rees, to me personally known, who being by me duly sworn, says that he is Vice President of THE PICKENS RAILROAD COMPANY, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.


Will C. Hill

Notary Public

my Commission Expires 1/1/79

SCHEDULE A

Railroad Boxcars

 Description: 52-foot, 6-inch, 70-ton, single-sheathed boxcars with 10-foot
Hennessy door openers

Hulk Number

Purchase Price

54050

\$30,602.18

54051

30,602.18

\$61,204.36

Outside Delivery Date: January 10, 1975

Delivered To: The Pickens Railroad Company
Greenville, South Carolina

Schedule A